

**COUNTY OF IRON, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2006**

**NOTE M - RETIREMENT PLANS (continued)**

The Health Department is required to contribute at an actuarially determined rate, which are a percentage of covered payrolls:

Valuation Division	Contribution Percentage		
	2007*	2006*	2005*
MNA Employees	12.85%	12.15%	12.72%
AFSCME	9.15%	10.65%	7.10%
Non Union	14.68%	11.71%	11.73%
Med Director	\$175 #	\$221 #	14.96%

\* Represents the actuarial required contribution for the fiscal year ended.

# Beginning in 2006, a monthly dollar contribution is shown for divisions that are closed to new hires.

**Aggregated Accrued Liabilities – Comparative Schedule**

Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
December 31,						
2003	\$ 4,496,909	\$ 5,136,641	\$ 639,732	88%	\$ 1,644,573	39%
2004	4,825,736	5,586,145	760,409	86%	1,651,442	46%
2005	5,033,519	5,833,782	800,263	86%	1,105,465	72%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

**Medical Care Facility – Component Unit**

The Medical Care Facility participates with the County in the Michigan Municipal Employees' Retirement System (MERS). MERS is an agent multiple-employer defined benefit pension plan that covers all employees of the County. The System provides retirement, disability, and death benefits to plan members and their beneficiaries.

The obligation to contribute to, and maintain, the System for these employees was established by negotiations with the County's competitive bargaining units and requires a contribution from the employee ranging from 1.77% to 4.81% of eligible gross earnings for 2006 as defined by the System. The Facility's contribution requirement is actuarially determined and is equal to the normal cost plus the level annual percentage of payroll payment required amortizing the unfunded actuarial accrued liability over 10 years. Facility contributions for the plan years ended December 31, 2006, 2005, and 2004 were \$546,562, \$503,565, and \$457,425, respectively.

## COUNTY OF IRON, MICHIGAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

#### **NOTE N - CONTINGENT LIABILITIES**

The County participates in a number of Federal and State assisted grant programs, principal of which are the Friend of Court and Prosecuting Attorney Cooperative Reimbursement programs, which are subject to financial and compliance audits. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts if any, to be immaterial.

#### **NOTE O - RISK MANAGEMENT**

The County of Iron participates as a member in the Michigan Municipal Risk Management Authority. The Authority is a municipal self-insurance entity operating pursuant to the State of Michigan Public Act 138 of 1982. The purpose of the Authority is to administer a risk management fund, which provides members with loss protection for general and auto liability, motor vehicle physical damage, and property.

The Authority has entered into reinsurance agreements providing for loss coverage in excess of the amounts to be retained by the Authority and individual members. An individual member's maximum retention on general liability and auto liability is \$100,000 per person and \$250,000 per occurrence. The limits on vehicle physical damage are \$1,500,000. The retention limits for property coverage are subject to a \$250 deductible. Some members have individual retention levels different than the ones previously stated.

The member must satisfy all deductibles before any payments are made from the member's self-insured retention or by MMRMA.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the member's self-insured retention. The member's self-insured retention and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the member's self-insured retention and the Limits of Coverage.

Iron County agrees to maintain, at all times, on account with MMRMA, sufficient funds to pay its self-insured retention obligations. The member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the member's self-insured retention.

At December 31, 2006, the County had no outstanding claims, which exceeded the plan's limits and there has been no significant reduction in insurance coverage over the past three years.

**COUNTY OF IRON, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2006**

**NOTE P – POST-RETIREMENT BENEFITS**

Iron County Road Commission

Iron County Road Commission provides post-employment health care benefits and life insurance benefits, in accordance with the provisions of Article 49, Section 3, and Article 50, Section 2 of the union agreement for all retirees who were hired by the Road Commission, and retired under MERS. The post-employment health care benefits provides that the Road Commission will continue to pay the monthly hospitalization insurance plan premium for the retiree only, without the specific drug and dental program, provided the retiree makes application for the Medicare card, prior to the effective date of Medicare coverage. The post-employment life insurance benefit provides that the Road Commission will pay for \$8,000 of term life insurance coverage for each retiree. Currently, 23 retirees are eligible for these post-employment benefits. The Road Commission's policy is to finance these benefits on a pay-as-you-go basis. During the year 2006, expenditures of \$157,233 were recognized for post-employment health care benefits, and \$10,886 for life insurance benefits.

Medical Care Facility

The Medical Care Facility provides post-retirement health care benefits to all employees who retire from the Facility on or after attaining age 62 with at least 10 years of service. The Facility pays health insurance premiums for the retiree until they reach age 65. Employees of the former Crystal Manor who retired prior to July 1, 2002 have their health insurance paid until death. Currently, 11 retirees meet these eligibility requirements. Expenses for post-retirement health care benefits are recognized monthly as premiums are paid. Approximately \$25,000 of costs pertaining to post-retirement benefits was included in the Facility's health insurance expense for the year ended December 31, 2006.

**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget-
	Original	Final	(See Note A)	Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 2,603,432	\$ 2,627,963	\$ 2,715,574	\$ 87,611
License and permits	6,650	6,401	6,401	-
Federal sources	248,393	254,679	245,883	(8,796)
State sources	508,422	546,013	548,523	2,510
Charges for services	477,885	506,928	506,928	-
Interest and rentals	40,000	88,352	88,352	-
Other	102,120	100,363	100,363	-
Total revenues	3,986,902	4,130,699	4,212,024	81,325
<b>EXPENDITURES:</b>				
Legislative:				
Board of commissioners	78,352	79,020	79,020	-
Judicial system:				
Trial court	580,062	567,276	554,666	12,610
Friend of court	96,541	96,710	94,407	2,303
Jury commission	750	750	401	349
General government:				
Elections	15,750	24,632	24,110	522
Commissioner's assistant	101,429	102,688	102,083	605
Prosecuting attorney	165,787	182,596	161,761	20,835
Assistant prosecutor	107,832	73,967	73,967	-
Clerk	104,153	101,463	101,439	24
Equalization	103,961	103,972	102,794	1,178
Register of deeds	83,074	83,070	79,377	3,693
Insurance and bonds	720,834	612,136	605,788	6,348
General county	435,358	451,304	434,127	17,177
Microfilm project	22,671	22,784	22,561	223
Treasurer	132,355	133,561	128,426	5,135
Courthouse and grounds	121,115	131,260	122,680	8,580
Remonumentation	52,611	96,383	96,383	-
Drain commissioner	4,576	4,890	4,618	272
Public safety:				
Sheriff's administration	322,054	364,789	340,765	24,024
Road patrol	53,571	50,107	42,481	7,626
Marine patrol	7,105	3,427	3,091	336
Snowmobile	11,262	5,662	5,662	-
ORV	11,186	10,729	10,732	(3)
Jail	664,783	667,880	659,098	8,782
Mine inspector	8,443	8,911	7,824	1,087
State homeland security	-	-	1,443	(1,443)
Animal control	31,193	32,755	32,119	636
Cultural and recreation:				
Cooperative extension services	39,423	39,398	37,897	1,501
Health and welfare:				
Medical examiner	14,000	24,849	24,610	239
Other:				
Appropriations	66,030	5,665	62,005	(56,340)
Other	3,960	-	3,960	(3,960)
Total expenditures	4,160,221	4,082,634	4,020,295	62,339
Excess revenues (expenditures)	(173,319)	48,065	191,729	143,664
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	287,869	308,657	306,857	(1,800)
Transfer out	(285,131)	(356,721)	(292,201)	64,520
Total other financing sources (uses)	2,738	(48,064)	14,656	62,720
Net changes in fund balances	(170,581)	1	206,385	206,384
Fund balances - beginning	698,675	698,675	698,675	698,675
Fund balances - ending	\$ 528,094	\$ 698,676	\$ 905,060	\$ 905,059

**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAINTENANCE OF EFFORT - MEDICARE**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 523,670	\$ 526,575	\$ 525,097	\$ (1,478)
Interest and rentals	12,000	23,319	25,316	1,997
Total revenues	535,670	549,894	550,413	519
<b>EXPENDITURES:</b>				
Health and welfare	360,000	454,703	428,269	26,434
Excess revenues (expenditures)	175,670	95,191	122,144	26,953
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer out	(250,000)	(300,000)	(300,000)	-
Net changes in fund balances	(74,330)	(204,809)	(177,856)	26,953
Fund balances - beginning	586,549	586,549	586,549	586,549
Fund balances - ending	\$ 512,219	\$ 381,740	\$ 408,693	\$ 613,502

**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**REVENUE SHARING RESERVE FUND**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 730,543	\$ 1,437,803	\$ 730,543	\$ (707,260)
Interest and rentals	-	8,702	17,654	8,952
Total revenues	730,543	1,446,505	748,197	(698,308)
<b>EXPENDITURES:</b>				
Other	-	-	-	-
Excess revenues (expenditures)	730,543	1,446,505	748,197	(698,308)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer out	(231,069)	(991,985)	(231,293)	760,692
Net changes in fund balances	499,474	454,520	516,904	62,384
Fund balances - beginning	1,099,670	1,099,670	1,099,670	1,099,670
Fund balances - ending	\$ 1,599,144	\$ 1,554,190	\$ 1,616,574	\$ 1,162,054

**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**EDC/REVOLVING LOAN FUND**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest and rentals	500	1,494	1,494	-
Other	65,688	109,648	102,222	(7,426)
Total revenues	66,188	111,142	103,716	(7,426)
<b>EXPENDITURES:</b>				
Other	123,114	188,541	186,183	2,358
Excess revenues (expenditures)	(56,926)	(77,399)	(82,467)	(5,068)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	12,500	12,500	-
Net changes in fund balances	(56,926)	(64,899)	(69,967)	(5,068)
Fund balances - beginning	106,021	106,021	106,021	106,021
Fund balances - ending	<u>\$ 49,095</u>	<u>\$ 41,122</u>	<u>\$ 36,054</u>	<u>\$ 100,953</u>

**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**REFUND BOND DEBT SERVICE FUND**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 239,223	\$ 239,223	\$ 249,897	\$ 10,674
Interest and rentals	3,900	3,900	3,623	(277)
Other	-	-	970	970
Total revenues	243,123	243,123	254,490	11,367
<b>EXPENDITURES:</b>				
Debt service:				
Principal	242,650	280,000	280,000	-
Interest	-	205,497	108,250	97,247
Other	500	-	241	(241)
Total expenditures	243,150	485,497	388,491	97,006
Excess revenues (expenditures)	(27)	(242,374)	(134,001)	108,373
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	223,131	223,131	-
Net changes in fund balances	(27)	(19,243)	89,130	108,373
Fund balances - beginning	19,454	19,454	19,454	19,454
Fund balances - ending	\$ 19,427	\$ 211	\$ 108,584	\$ 127,827



**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**2002 MEDICAL CARE FACILITY BOND DEBT RETIREMENT FUND**  
**For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 715,008	\$ 715,008	\$ 735,977	\$ 20,969
Interest and rentals	4,000	4,000	8,601	4,601
Total revenues	719,008	719,008	744,578	25,570
<b>EXPENDITURES:</b>				
Debt service:				
Principal	360,000	360,000	360,000	-
Interest	343,676	429,242	343,141	86,101
Other	-	-	268	(268)
Total expenditures	703,676	789,242	703,409	85,833
Excess revenues (expenditures)	15,332	(70,234)	41,169	111,403
Fund balances - beginning	70,234	70,234	70,234	70,234
Fund balances - ending	\$ 70,234	\$ -	\$ 111,403	\$ 181,637

**COUNTY OF IRON, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2006**

	Special Revenue Funds			
	Family Counseling	County Parks	Friend of Court Incentive	Probation Surcharge
<b>ASSETS</b>				
Cash and equivalents:				
Restricted	\$ -	\$ 12,000	\$ -	\$ -
Unrestricted	11,320	45,088	780	4,482
Receivables:				
State of Michigan	-	-	910	-
Accounts	-	-	-	-
Current property taxes	-	-	-	-
Notes	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>\$ 11,320</u>	<u>\$ 57,088</u>	<u>\$ 1,690</u>	<u>\$ 4,482</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 13,977	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Accrued payroll	-	1,096	-	-
Total liabilities	<u>-</u>	<u>15,073</u>	<u>-</u>	<u>-</u>
Fund balances:				
Unreserved:				
Designated	-	12,000	-	-
Undesignated	11,320	30,015	1,690	4,482
Total fund balances	<u>11,320</u>	<u>42,015</u>	<u>1,690</u>	<u>4,482</u>
Total liabilities and fund balances	<u>\$ 11,320</u>	<u>\$ 57,088</u>	<u>\$ 1,690</u>	<u>\$ 4,482</u>

See accompanying notes to financial statements

Special Revenue Funds

Register of Deeds Automation	Budget Stabilization	Enhanced 911	Drug Forfeiture - Prosecutor	Drug Forfeiture - Sheriff	Law Library	Drug Court Grant Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44,430	107,000	419,459	2,603	2,412	6,902	(43,221)
-	-	-	-	-	-	51,211
-	-	43,251	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,105	-	23,281	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 48,535</u>	<u>\$ 107,000</u>	<u>\$ 485,991</u>	<u>\$ 2,603</u>	<u>\$ 2,412</u>	<u>\$ 6,902</u>	<u>\$ 7,990</u>
\$ 71	\$ -	\$ 2,589	\$ -	\$ -	\$ 2,908	\$ 557
-	-	-	-	-	-	-
-	-	-	-	-	-	-
317	-	8,138	-	-	-	2,935
<u>388</u>	<u>-</u>	<u>10,727</u>	<u>-</u>	<u>-</u>	<u>2,908</u>	<u>3,492</u>
-	-	-	-	-	-	-
48,147	107,000	475,264	2,603	2,412	3,994	4,498
<u>48,147</u>	<u>107,000</u>	<u>475,264</u>	<u>2,603</u>	<u>2,412</u>	<u>3,994</u>	<u>4,498</u>
<u>\$ 48,535</u>	<u>\$ 107,000</u>	<u>\$ 485,991</u>	<u>\$ 2,603</u>	<u>\$ 2,412</u>	<u>\$ 6,902</u>	<u>\$ 7,990</u>

**COUNTY OF IRON, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2006**

	Special Revenue Funds			
	Senior Citizens	Alcohol Assessment	Child Care	Soldiers Relief
<b>ASSETS</b>				
Cash and equivalents:				
Restricted	\$ -	\$ -	\$ -	\$ -
Unrestricted	500	9,209	31,813	600
Receivables:				
State of Michigan	-	-	-	-
Accounts	-	-	389	-
Current property taxes	98,068	-	-	-
Notes	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>\$ 98,568</u>	<u>\$ 9,209</u>	<u>\$ 32,202</u>	<u>\$ 600</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 393	\$ 831	\$ -
Due to other funds	-	-	-	-
Deferred revenue	98,068	-	-	-
Accrued payroll	-	-	1,123	-
Total liabilities	<u>98,068</u>	<u>393</u>	<u>1,954</u>	<u>-</u>
Fund balances:				
Unreserved:				
Designated	-	-	-	-
Undesignated	500	8,816	30,248	600
Total fund balances	<u>500</u>	<u>8,816</u>	<u>30,248</u>	<u>600</u>
Total liabilities and fund balances	<u>\$ 98,568</u>	<u>\$ 9,209</u>	<u>\$ 32,202</u>	<u>\$ 600</u>

See accompanying notes to financial statements

Special Revenue Funds

Veterans Trust	Veterans Program	Public Act 302	Plat Book	Sheriff's Department Equipment	Courthouse Repair	CDBG Grant
\$ - 563	\$ - 2,844	\$ - 7,041	\$ - 10,425	\$ - 18,182	\$ - 22,063	\$ - 30,545
-	-	-	-	-	-	80,624
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	114	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 563</u>	<u>\$ 2,958</u>	<u>\$ 7,041</u>	<u>\$ 10,425</u>	<u>\$ 18,182</u>	<u>\$ 22,063</u>	<u>\$ 111,169</u>
\$ - 114	\$ 288 1,800	\$ - -	\$ - -	\$ 1,480 -	\$ 2,982 -	\$ 111,125 -
-	-	-	-	-	-	-
-	881	-	-	-	-	-
<u>114</u>	<u>2,969</u>	<u>-</u>	<u>-</u>	<u>1,480</u>	<u>2,982</u>	<u>111,125</u>
-	-	-	-	-	-	-
<u>449</u>	<u>(11)</u>	<u>7,041</u>	<u>10,425</u>	<u>16,702</u>	<u>19,081</u>	<u>44</u>
<u>449</u>	<u>(11)</u>	<u>7,041</u>	<u>10,425</u>	<u>16,702</u>	<u>19,081</u>	<u>44</u>
<u>\$ 563</u>	<u>\$ 2,958</u>	<u>\$ 7,041</u>	<u>\$ 10,425</u>	<u>\$ 18,182</u>	<u>\$ 22,063</u>	<u>\$ 111,169</u>

**COUNTY OF IRON, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2006**

	Special Revenue Funds			
	Youth Camp	Forest Resources	Fairgrounds	Airport
<b>ASSETS</b>				
Cash and equivalents:				
Restricted	\$ -	\$ -	\$ -	\$ -
Unrestricted	112,390	3,351	6,729	2,598
Receivables:				
State of Michigan	-	-	-	-
Accounts	-	-	-	-
Current property taxes	180,516	-	-	-
Notes	-	-	-	-
Due from other funds	-	-	-	-
Inventory	3,195	-	-	-
Total assets	<u>\$ 296,101</u>	<u>\$ 3,351</u>	<u>\$ 6,729</u>	<u>\$ 2,598</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 5,081	\$ -	\$ -	\$ 56
Due to other funds	29,767	-	-	-
Deferred revenue	180,921	-	-	-
Accrued payroll	-	-	-	-
Total liabilities	<u>215,769</u>	<u>-</u>	<u>-</u>	<u>56</u>
Fund balances:				
Unreserved:				
Designated	-	-	-	-
Undesignated	80,332	3,351	6,729	2,542
Total fund balances	<u>80,332</u>	<u>3,351</u>	<u>6,729</u>	<u>2,542</u>
Total liabilities and fund balances	<u>\$ 296,101</u>	<u>\$ 3,351</u>	<u>\$ 6,729</u>	<u>\$ 2,598</u>

See accompanying notes to financial statements

Debt Service Funds				
Medicare Bond Retirement	Jail Bond Retirement	2003 Courthouse Debt Retirement	2003 Road Commission Building Debt	Courthouse Bond Retirement
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	252	59,339	213,165
-	-	-	-	-
-	-	-	-	-
-	-	-	-	191,844
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>	<u>\$ 59,339</u>	<u>\$ 405,009</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	191,844
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,844</u>
-	-	-	-	-
-	-	252	59,339	213,165
-	-	252	59,339	213,165
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>	<u>\$ 59,339</u>	<u>\$ 405,009</u>

**COUNTY OF IRON, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2006**

	Capital Project Funds			Total Nonmajor Governmental Funds
	2002 MCF Construction	DNR Pentoga Construction Grant	MEDC Grant Construction	
<b>ASSETS</b>				
Cash and equivalents:				
Restricted	\$ -	\$ -	\$ -	12,000
Unrestricted	-	2,373	(68,852)	1,066,385
Receivables:				
State of Michigan	-	-	64,762	197,507
Accounts	-	-	-	43,640
Current property taxes	-	-	-	470,428
Notes	-	-	-	-
Due from other funds	-	-	14,918	42,418
Inventory	-	-	-	3,195
Total assets	<u>\$ -</u>	<u>\$ 2,373</u>	<u>\$ 10,828</u>	<u>\$ 1,835,573</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 1,270	\$ 10,828	\$ 154,436
Due to other funds	-	-	-	31,681
Deferred revenue	-	-	-	470,833
Accrued payroll	-	-	-	14,490
Total liabilities	<u>-</u>	<u>1,270</u>	<u>10,828</u>	<u>671,440</u>
Fund balances:				
Unreserved:				
Designated	-	-	-	12,000
Undesignated	-	1,103	-	1,152,133
Total fund balances	<u>-</u>	<u>1,103</u>	<u>-</u>	<u>1,164,133</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,373</u>	<u>\$ 10,828</u>	<u>\$ 1,835,573</u>

See accompanying notes to financial statements



**COUNTY OF IRON, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2006**

	Special Revenue Funds			
	Family Counseling	County Parks	Friend of Court Incentive	Probation Surcharge
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-
State sources	-	-	4,200	-
Charges for services	-	120,240	-	-
Interest and rentals	-	-	430	-
Other	1,380	15,677	-	1,487
Total revenues	1,380	135,917	4,630	1,487
<b>EXPENDITURES:</b>				
Judicial system	-	-	-	-
Public safety	-	-	-	-
Highway and transportation	-	-	-	-
Cultural and recreation	-	141,747	-	-
Health and welfare	750	-	-	-
Community development	-	-	-	-
Capital outlay	-	200	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	697
Total expenditures	750	141,947	-	697
Excess revenues (expenditures)	630	(6,030)	4,630	790
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	-	-
Transfer out	-	(16,000)	(5,630)	-
Total other financing sources (uses)	-	(16,000)	(5,630)	-
Net changes in fund balance	630	(22,030)	(1,000)	790
Fund balances - beginning	10,690	64,045	2,690	3,692
Fund balances - ending	\$ 11,320	\$ 42,015	\$ 1,690	\$ 4,482

See accompanying notes to financial statements

Special Revenue Funds

Register of Deeds Automation	Budget Stabilization	Enhanced 911	Drug Forfeiture - Prosecutor	Drug Forfeiture - Sheriff	Law Library	Drug Court Grant Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	21,960	-	-	-	-
-	-	-	-	-	-	45,965
-	-	334,418	-	-	-	142
548	-	12,226	33	22	-	-
-	-	400	-	-	2,500	-
548	-	369,004	33	22	2,500	46,107
-	-	-	-	-	20,334	-
-	-	349,898	90	292	-	60,933
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,102	-	-	-	-	-	-
13,102	-	349,898	90	292	20,334	60,933
(12,554)	-	19,106	(57)	(270)	(17,834)	(14,826)
21,605	-	20,480	-	-	21,780	17,285
-	-	-	-	-	-	-
21,605	-	20,480	-	-	21,780	17,285
9,051	-	39,586	(57)	(270)	3,946	2,459
39,096	107,000	435,678	2,660	2,682	48	2,039
<u>\$ 48,147</u>	<u>\$ 107,000</u>	<u>\$ 475,264</u>	<u>\$ 2,603</u>	<u>\$ 2,412</u>	<u>\$ 3,994</u>	<u>\$ 4,498</u>

**COUNTY OF IRON, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2006**

	Special Revenue Funds			
	Senior Citizens	Alcohol Assessment	Child Care	Soldiers Relief
<b>REVENUES:</b>				
Taxes	\$ 96,147	\$ -	\$ -	\$ -
Federal sources	-	-	-	-
State sources	-	-	-	-
Charges for services	-	5,778	4,413	-
Interest and rentals	-	-	-	-
Other	-	10,776	11,657	-
Total revenues	96,147	16,554	16,070	-
<b>EXPENDITURES:</b>				
Judicial system	-	-	-	-
Public safety	-	-	-	-
Highway and transportation	96,147	-	-	-
Cultural and recreation	-	-	-	-
Health and welfare	-	-	101,813	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	3,046	-	-
Total expenditures	96,147	3,046	101,813	-
Excess revenues (expenditures)	-	13,508	(85,743)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	100,852	600
Transfer out	-	(20,151)	-	-
Total other financing sources (uses)	-	(20,151)	100,852	600
Net changes in fund balance	-	(6,643)	15,109	600
Fund balances - beginning	500	15,459	15,139	-
Fund balances - ending	\$ 500	\$ 8,816	\$ 30,248	\$ 600

See accompanying notes to financial statements

Special Revenue Funds

Veterans Trust	Veterans Program	Public Act 302	Plat Book	Sheriff's Department Equipment	Courthouse Repair	CDBG Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	205,735
6,868	-	1,902	-	-	-	-
-	-	-	-	-	-	-
-	-	52	-	97	-	-
-	-	-	37,721	25,211	-	-
6,868	-	1,954	37,721	25,308	-	205,735
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,627	51,921	-	-	-	-	-
-	-	-	-	-	-	205,735
-	-	-	-	15,760	35,174	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	83	23,914	-	-	-
7,627	51,921	83	23,914	15,760	35,174	205,735
(759)	(51,921)	1,871	13,807	9,548	(35,174)	-
746	53,256	-	-	-	7,000	-
-	(1,346)	-	(15,000)	-	-	-
746	51,910	-	(15,000)	-	7,000	-
(13)	(11)	1,871	(1,193)	9,548	(28,174)	-
462	-	5,170	11,618	7,154	47,255	44
\$ 449	\$ (11)	\$ 7,041	\$ 10,425	\$ 16,702	\$ 19,081	\$ 44

**COUNTY OF IRON, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2006**

	Special Revenue Funds			
	Youth Camp	Forest Reserve	Fairgrounds	Airport
<b>REVENUES:</b>				
Taxes	\$ 176,527	\$ -	\$ -	\$ -
Federal sources	1,113	-	-	-
State sources	-	-	-	-
Charges for services	143,219	-	-	-
Interest and rentals	3,080	-	-	-
Other	19,208	30	6,677	6,347
Total revenues	343,147	30	6,677	6,347
<b>EXPENDITURES:</b>				
Judicial system	-	-	-	-
Public safety	-	-	-	-
Highway and transportation	-	-	-	11,752
Cultural and recreation	347,165	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	10,005	17,746	-
Total expenditures	347,165	10,005	17,746	11,752
Excess revenues (expenditures)	(4,018)	(9,975)	(11,069)	(5,405)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	12,475	3,599
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	12,475	3,599
Net changes in fund balance	(4,018)	(9,975)	1,406	(1,806)
Fund balances - beginning	84,350	13,326	5,323	4,348
Fund balances - ending	\$ 80,332	\$ 3,351	\$ 6,729	\$ 2,542

See accompanying notes to financial statements

Debt Service Funds

Medicare Bond Retirement	Jail Bond Retirement	2003 Courthouse Debt Retirement	2003 Road Commission Building Debt	Courthouse Bond Retirement
\$ 336	\$ -	\$ -	\$ -	\$ 220,543
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	984	-	1,111	3,662
-	-	-	-	159
<u>336</u>	<u>984</u>	<u>-</u>	<u>1,111</u>	<u>224,364</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	45,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	7,000	-	50,000
-	-	16,448	48,474	116,545
-	-	-	35	-
<u>-</u>	<u>-</u>	<u>23,448</u>	<u>93,509</u>	<u>166,545</u>
<u>336</u>	<u>984</u>	<u>(23,448)</u>	<u>(92,398)</u>	<u>57,819</u>
-	-	23,447	151,977	-
(118,409)	(104,722)	-	(12,927)	-
<u>(118,409)</u>	<u>(104,722)</u>	<u>23,447</u>	<u>139,050</u>	<u>-</u>
(118,073)	(103,738)	(1)	46,652	57,819
<u>118,073</u>	<u>103,738</u>	<u>253</u>	<u>12,687</u>	<u>155,346</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>	<u>\$ 59,339</u>	<u>\$ 213,165</u>

**COUNTY OF IRON, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2006**

	Capital Projects Funds			Total Nonmajor Governmental Funds
	2002 MCF Construction	DNR Pentoga Construction Grant	MEDC Grant Construction	
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 493,553
Federal sources	-	-	542,820	771,628
State sources	-	-	-	58,935
Charges for services	-	-	-	608,210
Interest and rentals	1,814	-	-	24,059
Other	-	-	32,753	171,983
Total revenues	1,814	-	575,573	2,128,368
<b>EXPENDITURES:</b>				
Judicial system	-	-	-	20,334
Public safety	-	-	-	411,213
Highway and transportation	-	-	-	152,899
Cultural and recreation	-	14,325	-	503,237
Health and welfare	-	-	-	162,111
Community development	-	-	-	205,735
Capital outlay	163,881	-	575,574	790,589
Debt service:				
Principal	-	-	-	57,000
Interest	-	-	-	181,467
Other	-	572	-	69,200
Total expenditures	163,881	14,897	575,574	2,553,785
Excess revenues (expenditures)	(162,067)	(14,897)	(1)	(425,417)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	16,000	-	451,102
Transfer out	-	-	-	(294,185)
Total other financing sources (uses)	-	16,000	-	156,917
Net changes in fund balance	(162,067)	1,103	(1)	(268,500)
Fund balances - beginning	162,067	-	1	1,432,633
Fund balances - ending	\$ -	\$ 1,103	\$ -	\$ 1,164,133

See accompanying notes to financial statements

**COUNTY OF IRON, MICHIGAN**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
**December 31, 2006**

	<u>Construction Code</u>	<u>Tax Revolving Administration</u>	<u>Tax Revolving 1998</u>	<u>Tax Revolving 1999</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents				
Unrestricted	\$ 56,522	\$ 8,993	\$ -	\$ 19,340
Total current assets	<u>56,522</u>	<u>8,993</u>	<u>-</u>	<u>19,340</u>
Noncurrent assets:				
Receivables:				
Delinquent taxes	-	-	-	112
Accrued interest on taxes	-	-	-	-
Capital assets, net of accumulated depreciation	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>112</u>
Total assets	<u>\$ 68,522</u>	<u>\$ 8,993</u>	<u>\$ -</u>	<u>\$ 19,452</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,778	\$ -	\$ -	\$ -
Accrued payroll	<u>273</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>9,051</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>				
Unrestricted	<u>59,471</u>	<u>8,993</u>	<u>-</u>	<u>19,452</u>
Total net assets	<u>59,471</u>	<u>8,993</u>	<u>-</u>	<u>19,452</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 68,522</u>	<u>\$ 8,993</u>	<u>\$ -</u>	<u>\$ 19,452</u>

See accompanying notes to financial statements



<u>Tax Revolving 2000</u>	<u>Tax Revolving 2001</u>	<u>Tax Revolving 2002</u>	<u>Tax Revolving 2003</u>	<u>Tax Revolving 2004</u>	<u>Tax Revolving 2005</u>	<u>Total Nonmajor Proprietary Funds</u>
<u>\$ 16,118</u>	<u>\$ 15,252</u>	<u>\$ 27,141</u>	<u>\$ 157,352</u>	<u>\$ 106,977</u>	<u>\$ 169,107</u>	<u>\$ 576,802</u>
<u>16,118</u>	<u>15,252</u>	<u>27,141</u>	<u>157,352</u>	<u>106,977</u>	<u>169,107</u>	<u>576,802</u>
114	147	818	982	11,839	51,839	65,851
-	-	-	1,444	6,038	17,107	24,589
-	-	-	-	-	-	12,000
<u>114</u>	<u>147</u>	<u>818</u>	<u>2,426</u>	<u>17,877</u>	<u>68,946</u>	<u>102,440</u>
<u>\$ 16,232</u>	<u>\$ 15,399</u>	<u>\$ 27,959</u>	<u>\$ 159,778</u>	<u>\$ 124,854</u>	<u>\$ 238,053</u>	<u>\$ 679,242</u>
\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 8,778
-	-	-	-	-	-	273
-	-	-	-	-	-	9,051
<u>16,232</u>	<u>15,399</u>	<u>27,959</u>	<u>159,778</u>	<u>124,854</u>	<u>238,053</u>	<u>670,191</u>
<u>16,232</u>	<u>15,399</u>	<u>27,959</u>	<u>159,778</u>	<u>124,854</u>	<u>238,053</u>	<u>670,191</u>
<u>\$ 16,232</u>	<u>\$ 15,399</u>	<u>\$ 27,959</u>	<u>\$ 159,778</u>	<u>\$ 124,854</u>	<u>\$ 238,053</u>	<u>\$ 679,242</u>

**COUNTY OF IRON, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2006**

	Construction Code	Tax Revolving Administration	Tax Revolving 1998	Tax Revolving 1999
<b>OPERATING REVENUES:</b>				
License and permits	\$ 103,359	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Penalties and interest on taxes	-	-	-	-
Other	2,986	-	51	-
	<u>106,345</u>	<u>-</u>	<u>51</u>	<u>-</u>
Total operating revenue				
	<u>106,345</u>	<u>-</u>	<u>51</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>				
Salaries and fringes	13,203	-	-	-
Administrative fees	-	-	-	-
Depreciation expense	3,000	-	-	-
Other	76,652	7,450	153	-
	<u>92,855</u>	<u>7,450</u>	<u>153</u>	<u>-</u>
Total operating expenses				
	<u>92,855</u>	<u>7,450</u>	<u>153</u>	<u>-</u>
Operating income (loss)	<u>13,490</u>	<u>(7,450)</u>	<u>(102)</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest on investments	-	40	30	49
Transfer in	-	4,216	-	-
Transfer out	(3,038)	-	(13,180)	-
	<u>(3,038)</u>	<u>4,256</u>	<u>(13,150)</u>	<u>49</u>
Total nonoperating revenues (expenses)				
	<u>(3,038)</u>	<u>4,256</u>	<u>(13,150)</u>	<u>49</u>
Change in net assets	10,452	(3,194)	(13,252)	49
Total net assets - beginning	<u>49,019</u>	<u>12,187</u>	<u>13,252</u>	<u>19,403</u>
Total net assets - ending	<u>\$ 59,471</u>	<u>\$ 8,993</u>	<u>\$ -</u>	<u>\$ 19,452</u>

See accompanying notes to financial statements

Tax Revolving 2000	Tax Revolving 2001	Tax Revolving 2002	Tax Revolving 2003	Tax Revolving 2004	Tax Revolving 2005	Total Nonmajor Proprietary Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,359
-	-	-	797	15,135	44,959	60,891
-	-	-	-	2,239	24,888	27,127
-	-	-	-	51	538	3,626
-	-	-	797	17,425	70,385	195,003
-	-	-	-	-	-	13,203
-	-	-	-	13,810	24,834	38,644
-	-	-	-	-	-	3,000
-	-	-	-	-	-	84,255
-	-	-	-	13,810	24,834	139,102
-	-	-	797	3,615	45,551	55,901
335	259	271	7,870	8,727	11,510	29,091
-	-	13,180	-	-	-	17,396
-	-	-	(39,768)	(354,125)	(651,495)	(1,061,606)
335	259	13,451	(31,898)	(345,398)	(639,985)	(1,015,119)
335	259	13,451	(31,101)	(341,783)	(594,434)	(959,218)
15,897	15,140	14,508	190,879	466,637	832,487	1,629,409
\$ 16,232	\$ 15,399	\$ 27,959	\$ 159,778	\$ 124,854	\$ 238,053	\$ 670,191

**COUNTY OF IRON, MICHIGAN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2006**

	Construction Code	Tax Revolving Administration	Tax Revolving 1998	Tax Revolving 1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 103,359	\$ -	\$ -	\$ -
Cash received for collection of taxes	-	-	-	-
Other operating cash receipts	2,986	-	51	-
Payments for wages and related benefits	(13,063)	-	-	-
Other operating cash payments	(68,312)	(7,450)	(153)	-
Net cash provided (used) by operating activities	24,970	(7,450)	(102)	-
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer in	-	4,216	-	-
Transfer out	(3,038)	-	(13,180)	-
Net cash provided (used) by noncapital financing activities	(3,038)	4,216	(13,180)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest earnings	-	40	30	49
Net increase (decrease) in cash and equivalents	21,932	(3,194)	(13,252)	49
Cash and equivalents, beginning of year	34,590	12,187	13,252	19,291
Cash and equivalents, end of year	\$ 56,522	\$ 8,993	\$ -	\$ 19,340
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 13,490	\$ (7,450)	\$ (102)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	3,000	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in receivables	-	-	-	-
Increase (decrease) in accounts payable	8,340	-	-	-
Increase (decrease) in other liabilities	140	-	-	-
Total adjustments	11,480	-	-	-
Net cash provided by operating activities	\$ 24,970	\$ (7,450)	\$ (102)	\$ -

See accompanying notes to financial statements

Tax Revolving 2000	Tax Revolving 2001	Tax Revolving 2002	Tax Revolving 2003	Tax Revolving 2004	Tax Revolving 2005	Total Nonmajor Proprietary Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,359
-	-	-	9,314	73,908	419,927	503,149
-	-	-	797	51	538	4,423
-	-	-	-	-	-	(13,063)
-	-	-	-	(13,810)	(24,834)	(114,559)
-	-	-	10,111	60,149	395,631	483,309
-	-	13,180	-	-	-	17,396
-	-	-	(39,768)	(354,125)	(651,495)	(1,061,606)
-	-	13,180	(39,768)	(354,125)	(651,495)	(1,044,210)
335	259	271	7,870	8,727	11,510	29,091
335	259	13,451	(21,787)	(285,249)	(244,354)	(531,810)
15,783	14,993	13,690	179,139	392,226	413,461	1,108,612
<u>\$ 16,118</u>	<u>\$ 15,252</u>	<u>\$ 27,141</u>	<u>\$ 157,352</u>	<u>\$ 106,977</u>	<u>169,107</u>	<u>576,802</u>
\$ -	\$ -	\$ -	\$ 797	\$ 3,615	45,551	\$ 55,901
-	-	-	-	-	-	3,000
-	-	-	9,314	56,534	350,080	415,928
-	-	-	-	-	-	8,340
-	-	-	-	-	-	140
-	-	-	9,314	56,534	350,080	427,408
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,111</u>	<u>\$ 60,149</u>	<u>395,631</u>	<u>\$ 483,309</u>

**COUNTY OF IRON, MICHIGAN**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
**December 31, 2006**

	General Trust and Agency	Flex Spending	Friend of the Court Trust	District Court Bonds
<b>ASSETS</b>				
Cash and cash equivalents:				
Unrestricted	\$ 370,490	\$ 2,663	\$ 1	\$ 22,993
Receivables:				
Accounts	784	-	-	-
Due from other governmental units	10,060	-	-	-
Due from other funds	5,705	34,318	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 387,039</u>	<u>\$ 36,981</u>	<u>\$ 1</u>	<u>\$ 22,993</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 23,085	\$ -	\$ -	\$ -
Undistributed taxes	218,369	-	-	-
Other liabilities	145,585	36,981	1	22,993
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 387,039</u>	<u>\$ 36,981</u>	<u>\$ 1</u>	<u>\$ 22,993</u>

See accompanying notes to financial statements

Library Fund	Inmate Trust	Totals
\$ 28,074	\$ 6,404	\$ 430,625
-	-	784
-	-	10,060
-	-	40,023
<u>\$ 28,074</u>	<u>\$ 6,404</u>	<u>\$ 481,492</u>
\$ -	\$ -	\$ 23,085
-	-	218,369
28,074	6,404	240,038
<u>\$ 28,074</u>	<u>\$ 6,404</u>	<u>\$ 481,492</u>



**ANDERSON, TACKMAN & COMPANY, PLC**

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES IN MICHIGAN AND WISCONSIN

Kristine P. Berhow, CPA, Principal  
Alan M. Stotz, CPA, Principal  
Raymond B. LaMarche, CPA, Principal  
Erkki M. Peippo, CPA, PC, Principal

Kevin C. Pascoe, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Members of the Board of Commissioners  
County of Iron  
Crystal Falls, Michigan 49920

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Iron, Michigan, as of and for the year ended December 31, 2006, which collectively comprise the County of Iron, Michigan's basic financial statements, and have issued our report thereon dated June 22, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Iron, Michigan's internal control over financial reporting in order as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Iron, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Iron, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Iron, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the



Members of the Board of Commissioners  
County of Iron

County of Iron, Michigan's financial statements that are more than inconsequential will not be prevented or detected by the County of Iron, Michigan's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting, as items 06-1 and 06-2.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Iron, Michigan's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 06-2 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Iron, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to management of the County of Iron, Michigan, in a separate letter dated June 22, 2007.

This report is intended solely for the information and use of the County Board of Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson, Tackman & Company P.C.*  
Certified Public Accountants

June 22, 2007



**ANDERSON, TACKMAN & COMPANY, PLC**

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES IN MICHIGAN AND WISCONSIN

Kristine P. Berhow, CPA, Principal  
Alan M. Stotz, CPA, Principal  
Raymond B. LaMarche, CPA, Principal  
Erkki M. Peippo, CPA, PC, Principal

Kevin C. Pascoe, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the Board of Commissioners  
County of Iron  
Crystal Falls, Michigan 49920

Compliance

We have audited the compliance of the County of Iron, Michigan with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. County of Iron, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Iron, Michigan's management. Our responsibility is to express an opinion on County of Iron, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Iron, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Iron, Michigan's compliance with those requirements.

In our opinion, the County of Iron, Michigan, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Members of the Board of Commissioners  
County of Iron

Internal Control Over Compliance

The management of the County of Iron, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Iron, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal over compliance described in the accompanying schedule of findings and questioned costs as item 06-2 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 06-2 to be a material weakness.

County of Iron, Michigan's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Iron, Michigan's response and, accordingly, we express no opinion on it.

Members of the Board of Commissioners  
County of Iron

This report is intended solely for the information and use of the County Board of Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson, Tackman & Company P.C.*

Certified Public Accountants

June 22, 2007

COUNTY OF IRON, MICHIGAN  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended December 31, 2006

Federal grantor/pass-through/program title	Federal CFDA #	Agency or pass-through number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>			
Passed through the State Department of Social Services:			
Title IV-D Cooperative Reimbursement	93.563	{ CSPA-06-36002 }	
		{ CSFOC-06-36001 }	
		{ CSMED-06-36001 }	\$ 146,550
Foster Care - Title IV-E	93.658	PROFC-06-36001	2,510
Passed through State Department of Public Health:			
Medical Assistance Program	93.778		88,067
Family Planning Project	93.217		52,390
Maternal and Child Health Services Block Title V	93.994		44,707
CDI - Breast & Cervical Cancer	93.283		28,441
Immunization IAP	93.268		224,954
Bioterrorism Supplemental	93.283		204,416
HIV Prev Act Health Dept. Based	93.940		374
Strong Families/Safe Children	93.556		20,350
0-3 Secondary Prevention Grant	93.558		81,976
Passed through Upper Peninsula Commission for Area Progress:			
Title IIID	93.043		7,700
Total U.S. Department of Health & Human Services			902,435
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
Direct Payments:			
Special Supplemental Food Program for Woman, Infants and Childern	10.557		152,426
Special Milk Program for Childern	10.556		1,113
Community Facilities Loans and Grants	10.766		19,000
Total U.S. Department of Agriculture			172,539
<b>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY:</b>			
Capitalization Grants - Drinking Water Revolving Funds	66.468		525
Operator Certification Expense Reimbursement	66.471		2,100
Total U.S. Department of Environmental Protection Agency			2,625
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY:</b>			
Passed through State Emergency Management:			
Emergency Management Performance Grants	97.042		9,764
2004 Homeland Security Grant Programs	97.004		34,746
Total Federal Emergency Management Agency			44,510

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF IRON, MICHIGAN  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended December 31, 2006

<u>Federal grantor/pass-through/program title</u>	<u>Federal CFDA #</u>	<u>Agency or pass-through number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF JUSTICE:			
Passed through State:			
Byrne Formula Grant Program:			
Drug Court Implementation	16.579		35,267
Family & Domestic Violence Unit	16.579		<u>20,006</u>
Total U.S. Department of Justice			<u>55,273</u>
U.S. DEPARTMENT OF EDUCATION:			
Passed through State:			
Special Education Grants for Infants and Families with Disabilities (Early On)	84.181		<u>45,262</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:			
Passed through State:			
Community Development Block Grant	{ 14.228	MSC-2004-740-HOA	79,740
	{ 14.228	MSC-2005-740-HOA	125,995
	{ 14.228	MSC204084-EDIG	<u>542,820</u>
Total U.S. Department of Housing & Urban Development			<u>748,555</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,971,199</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF IRON, MICHIGAN**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2006**

**NOTE A – OVERSIGHT AGENCY**

The U.S. Department of Agriculture is the current year's oversight agency for single audit as determined by the agency providing the largest share of the County's direct federal financial assistance.

**NOTE B – BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards has been prepared on the modified accrual basis of accounting.

**NOTE C – PASS-THROUGH GRANTOR'S OR PROGRAM NUMBERS**

The pass-through grantor's number represents the County's provider I.D. number. Such other I.D. numbers were not available or provided by the State administering agencies.

**NOTE D – FEDERAL REVENUE RECONCILIATION**

Federal revenue per governmental fund financial statements	\$ 1,017,511
Federal expenditures per schedule of expenditures of federal award	<u>1,971,199</u>
Difference	<u>(953,688)</u>
Reconciling items:	
Federal revenues reported in the component units which are included on the schedule of expenditures of federal awards:	
District Health Department	<u>953,688</u>
Reconciled difference	<u>\$ -</u>

**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2006**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the County of Iron, Michigan.
2. A significant deficiency and material weakness disclosed during the audit of the basic financial statements are reported in the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, and are detailed in part B of this schedule.
3. There were no instances of noncompliance material to the basic financial statements of the County of Iron, Michigan disclosed during the audit.
4. A material weakness disclosed during the audit of the major federal programs is reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133* and are detailed in part C of this schedule.
5. The auditor's report on compliance for the major federal programs for the County of Iron, Michigan expresses an unqualified opinion.
6. There was one audit finding relative to the major federal programs for the County of Iron, Michigan and is detailed in part C of this schedule.
7. The programs tested as a major program included:
  - Community Development Block Grant, CFDA #14.228
8. The threshold for distinguishing Type A & B programs was \$300,000.
9. The County of Iron, Michigan was determined to be a low-risk auditee.



**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2006**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**06-1. PREPARATION OF FINANCIAL STATEMENTS**

Condition/Criteria: The County of Iron, Michigan does not prepare their own financial statements.

Effect: Significant deficiency in internal controls over financial reporting as County of Iron, Michigan does not have controls over preparation of the financial statements which would prevent or detect a misstatement in the financial statements.

Cause: The County of Iron, Michigan has chosen to not possess the personnel capable of preparing financial statements and the required footnote disclosures.

Recommendation: None.

**06-2. LACK IN SAFEGUARDING CONTROLS OVER CASH**

Condition/Criteria: Bank accounts of the County are not being reconciled to the general ledger on a monthly basis.

Effect: Significant deficiency in the design or operation of the internal control over the financial reporting, in our judgement, could adversely affect the County of Iron's ability to record and report financial data consistent with the assertions of management in the financial statements.

Cause: The necessary time to perform the recommended cash reconciliation procedures has not been taken.

Recommendation: We recommend the County perform monthly cash reconciliation between all bank accounts and the general ledger.

**COUNTY OF IRON, MICHIGAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2006**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

	<u>Questioned Costs</u>
<b>06-2. LACK IN SAFEGUARDING CONTROLS OVER CASH</b>	
<u>Condition/Criteria:</u> Bank accounts of the County are not being reconciled to the general ledger on a monthly basis.	
<u>Effect:</u> Significant deficiency in the design or operation of the internal control over the financial reporting, in our judgement, could adversely affect the County of Iron's ability to record and report financial data consistent with the assertions of management in the financial statements.	\$ -0-
<u>Cause:</u> The necessary time to perform the recommended cash reconciliation procedures has not been taken.	
<u>Recommendation:</u> We recommend the County perform monthly cash reconciliation between all bank accounts and the general ledger.	
<u>Management Response:</u> The County of Iron will continue to extend efforts to reconcile bank accounts with the general ledger on a monthly basis and will investigate and adjust the general ledger to the actual bank balance.	

**COUNTY OF IRON, MICHIGAN**  
**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2006**

**A. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

**04-1. LACK IN SAFEGUARDING CONTROLS OVER CASH**

Condition/Criteria: Bank accounts of the County are not being reconciled to the general ledger on a monthly basis.

Effect: Significant deficiency in the design or operation of the internal control over the financial reporting, in our judgement, could adversely affect the County of Iron's ability to record and report financial data consistent with the assertions of management in the financial statements.

Cause: The necessary time to perform the recommended cash reconciliation procedures has not been taken.

Recommendation: We recommend the County perform monthly cash reconciliations between bank accounts and the general ledger.

Status: As of December 31, 2006, bank accounts of the County continue to not be reconciled to the general ledger.

# Continuing Disclosure Filing

**County of Iron**  
State of Michigan

*Fiscal Year Ended*  
*December 31, 2006*

LIST OF CURRENT  
NATIONALLY RECOGNIZED MUNICIPAL SECURITIES  
INFORMATION REPOSITORIES (NRMSIRs)

Standard & Poor's Securities Evaluations, Inc.  
55 Water Street – 45th Floor  
New York, New York 10041  
Phone: (212) 438-4595  
Fax: (212) 438-3975  
E-mail: nrmsir\_repository@sandp.com

Bloomberg Municipal Repository  
100 Business Park Drive  
Skillman, NJ 08558  
Phone: (609) 279-3225  
Fax: (609) 279-5962  
E-mail: Munis@Bloomberg.com

FT Interactive Data  
Attn: NRMSIR  
100 William Street  
New York, New York 10038  
Phone: (212) 771-6999  
Fax: (212) 771-7390  
E-mail: Nrmsir@FTID.com

DPC Data Inc.  
One Executive Drive  
Fort Lee, NJ 07024  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
E-mail: nrmsir@dpdata.com

STATE INFORMATION REPOSITORY

Municipal Advisory Council of Michigan  
1445 First National Building  
Detroit, Michigan 48226-3517  
Phone: 313-963-0420  
Fax: 313-963-0943  
E-mail: mac@macmi.com

## MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository pursuant to Securities and Exchange Commission Rule 15c2-12.

Issuer's and/or Other Obligated Person's Name: County of Iron, Michigan

CUSIP Numbers (attach additional sheet if necessary):

- ☐ Nine-digit number(s) to which the information relates:  
☒ Information relates to **all securities** issued by the issuer having the following six-digit number(s): 462765

\*\*\*

Number of pages of attached information:

Description of Material Event Notice / Financial Information (Check One):

1. \_\_\_\_\_ Principal and interest payment delinquencies
2. \_\_\_\_\_ Non-Payment related defaults
3. \_\_\_\_\_ Unscheduled draws on debt service reserves reflecting financial difficulties
4. \_\_\_\_\_ Unscheduled draws on credit enhancements reflecting financial difficulties
5. \_\_\_\_\_ Substitution of credit or liquidity providers, or their failure to perform
6. \_\_\_\_\_ Adverse tax opinions or events affecting the tax-exempt status of the security
7. \_\_\_\_\_ Modifications to rights of securities holders
8. \_\_\_\_\_ Bond calls
9. \_\_\_\_\_ Defeasances
10. \_\_\_\_\_ Release, substitution, or sale of property securing repayment of the securities
11. \_\_\_\_\_ Rating changes
12. \_\_\_\_\_ Failure to provide annual financial information as required
13. \_\_\_\_\_ Other material event notice (specify)
14. X \_\_\_\_\_ Financial information\*: Please check all appropriate boxes:

☐ CAFR: (a) ☐ includes ☐ does not include Annual Financial Information

(b) Audited? Yes ☐ No ☐

☒ Annual Financial Information: Audited? Yes ☒ No ☐

☒ Operating Data

Fiscal Period Covered: Fiscal Year Ended December 31, 2006

\*Financial information **should not** be filed with the MSRB

\*\*\*

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_

Name: Jan R. Heizing Title: County Administrator

Employer: County of Iron

Address: 2 South Sixth Street, Suite 7

City, State, Zip Code: Crystal Falls, Michigan 49920-1413

Voice Telephone Number: (906) 875-0652

**County of Iron**  
**Total Taxable Value**  
**Fiscal Years Ended December 31, 2003 Through 2007**

Assessed Value as of <u>December 31</u>	Year of State Equalization and Tax Levy	County's Fiscal Year Ended <u>December 31</u>	Ad Valorem Taxable Value	Equivalent Taxable Value of Property Granted Tax Abatement Under <u>Act 198 (1)</u>	Total Taxable Value	Percent Increase Over Prior Year
2002	2003	2003	321,055,877	80,387	321,136,264	4.41
2003	2004	2004	339,554,127	58,067	339,612,194	5.75
2004	2005	2005	361,636,736	54,302	361,691,038	6.50
2005	2006	2006	385,333,562	18,620	385,352,182	6.54
2006	2007	2007	407,246,655	17,640	407,273,942	5.69

Per Capita Total Taxable Value for the Fiscal Year Ended December 31, 2007 (2) ..... \$30,999.69

(1) At the full tax rate.

(2) Based on the County's 2000 Census population of 13,138.

Source: County of Iron

**County of Iron**  
**Total Taxable Value by Use and Class**  
**Fiscal Years Ended December 31, 2003 Through 2007**

	<u>Fiscal Year Ended December 31</u>				
<u>Use</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Agriculture.....	\$ 5,253,241	\$ 5,468,494	\$ 5,699,152	\$ 4,871,149	\$ 8,083,126
Commercial .....	31,729,929	33,451,388	33,858,817	35,024,154	37,561,259
Utility.....	42,819,275	43,062,168	42,639,705	42,049,329	42,464,579
Industrial.....	27,359,350	27,742,706	28,294,690	29,604,931	30,307,951
Residential .....	198,887,622	213,655,159	233,754,546	254,068,702	270,131,671
Timber Cutover .....	15,100,177	16,256,769	17,389,826	19,715,297	18,700,068
Total.....	<u>\$ 321,149,594</u>	<u>\$ 339,636,684</u>	<u>\$ 361,636,736</u>	<u>\$ 385,333,562</u>	<u>\$ 458,346,031</u>
<u>Class</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Real Property.....	\$ 272,593,977	\$ 290,242,752	\$ 312,034,386	\$ 335,540,772	\$ 407,246,655
Personal Property ....	48,555,617	49,393,932	49,602,350	49,792,790	51,099,376
Total.....	<u>\$ 321,149,594</u>	<u>\$ 339,636,684</u>	<u>\$ 361,636,736</u>	<u>\$ 385,333,562</u>	<u>\$ 458,346,031</u>

Source: County of Iron

**County of Iron**  
**Percent of Total Taxable Value by Use and Class**  
**Fiscal Years Ended December 31, 2003 Through 2007**

	Fiscal Year Ended December 31				
<u>Use</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Agriculture.....	1.63%	1.61%	1.58%	1.26%	1.76%
Commercial .....	9.88	9.85	9.36	9.09	8.19
Utility.....	13.33	12.68	11.79	10.91	9.26
Industrial.....	8.52	8.16	7.82	7.68	6.61
Residential.....	61.93	62.91	64.64	65.93	70.01
Timber Cutover .....	<u>4.70</u>	<u>4.79</u>	<u>4.81</u>	<u>5.12</u>	<u>4.08</u>
Total.....	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
 <u>Class</u>	 <u>2003</u>	 <u>2004</u>	 <u>2005</u>	 <u>2006</u>	 <u>2007</u>
Real Property.....	84.88%	85.46%	86.28%	87.08%	88.85%
Personal Property ....	<u>15.12</u>	<u>14.54</u>	<u>13.72</u>	<u>12.92</u>	<u>11.15</u>
Total.....	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: County of Iron

**County of Iron**  
**Total State Equalized Valuation**  
**Fiscal Years Ended December 31, 2003 Through 2007**

<u>Assessed</u>	<u>Year of State</u>	<u>County's</u>	<u>Ad</u>	<u>SEV of Property</u>		<u>Percent</u>
<u>Value as of</u>	<u>Equalization</u>	<u>Fiscal Year</u>	<u>Valorem</u>	<u>Granted Tax</u>	<u>Total</u>	<u>Increase</u>
<u>December 31</u>	<u>and Tax Levy</u>	<u>Ended</u>	<u>SEV</u>	<u>Under Acts 198</u>	<u>SEV</u>	<u>Over</u>
		<u>December 31</u>		<u>and 255</u>		<u>Prior Year</u>
2002	2003	2003	472,061,769	187,434	472,249,203	8.76
2003	2004	2004	510,134,359	165,114	510,299,473	8.06
2004	2005	2005	544,910,439	161,349	545,071,788	6.81
2005	2006	2006	588,609,718	28,267	588,637,985	7.99
2006	2007	2007	634,078,605	27,287	634,105,892	7.72
Per Capita Total SEV for the Fiscal Year Ended December 31, 2007 (1) .....						\$48,265.02

(1) Based on the County's 2000 Census population of 13,138.

Source: County of Iron



**County of Iron**  
**Total SEV by Use and Class**  
**Fiscal Years Ended December 31, 2003 Through 2007**

Fiscal Year Ended December 31					
Use	2003	2004	2005	2006	2007
Agriculture.....	\$ 10,987,894	\$ 14,073,223	\$ 16,546,441	\$ 11,869,940	\$ 17,316,943
Commercial .....	33,731,907	35,166,597	37,464,896	39,670,181	43,477,766
Utility .....	44,169,873	44,698,021	44,203,190	43,512,225	43,751,357
Industrial.....	28,000,315	28,320,075	28,764,221	30,188,470	30,838,441
Residential.....	314,699,458	344,863,198	373,027,754	414,664,779	447,534,331
Timber Cutover .....	40,659,756	43,178,359	44,903,937	48,704,123	51,159,767
Total.....	<u>\$ 472,249,203</u>	<u>\$ 510,299,473</u>	<u>\$ 544,910,439</u>	<u>\$ 588,609,718</u>	<u>\$ 634,078,605</u>
0					
Class	2003	2004	2005	2006	2007
Real Property.....	\$ 422,168,956	\$ 459,121,333	\$ 493,638,666	\$ 537,280,034	\$ 581,640,774
Personal Property .....	50,080,247	51,178,140	51,271,773	51,329,684	52,437,831
	<u>\$ 472,249,203</u>	<u>\$ 510,299,473</u>	<u>\$ 544,910,439</u>	<u>\$ 588,609,718</u>	<u>\$ 634,078,605</u>

Source: County of Iron

**County of Iron**  
**Percent of Total SEV by Use and Class**  
**Fiscal Years Ended December 31, 2003 Through 2007**

Fiscal Year Ended December 31					
Use	2003	2004	2005	2006	2007
Agriculture.....	2.33%	2.75%	3.04%	2.02%	2.73%
Commercial .....	7.14	6.89	6.88	6.74	6.86
Utility .....	9.35	8.76	8.11	7.39	6.90
Industrial.....	5.93	5.55	5.28	5.13	4.86
Residential.....	66.64	67.59	68.46	70.45	70.58
Timber Cutover .....	8.61	8.46	8.24	8.27	8.07
Total.....	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Class	2003	2004	2005	2006	2007
Real Property.....	89.40%	89.97%	90.59%	91.28%	91.73%
Personal Property .....	10.60	10.03	9.41	8.72	8.27
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: County of Iron

**County of Iron**  
**Property Tax Rates**  
**Fiscal Years Ended December 31, 2003 Through 2007**

Levy	Fiscal Years Ended	Allocated	Youth Camp (1)	Medical (1)	Debt (1)	Senior Citizen (1)	Health Dept. (1)	Total
December 1	December 31							
2002	2003	6.5300	0.4901	1.4704	1.2110	0.2663	0.0	9.9681
2003	2004	6.5300	0.5000	1.500	3.1971	0.2663	0.0	11.9934
2004	2005	6.5300	0.4968	1.4580	3.8679	0.2645	0.0	12.6172
2005	2006	6.3941	0.4864	1.4431	3.2750	0.2643	0.2500	12.1129
2006	2007	6.2726	0.4771	1.4408	3.0930	0.2592	0.2452	11.7879

(1) Voted.

**County of Iron**  
**Property Tax Collections**  
**Fiscal Years Ended or Ending December 31, 2003 Through 2007**

December 1	Fiscal Years Ended or Ending	County	Collections to March 1	Percent Collected to March 1
<u>Levy</u>	<u>December 31</u>	<u>Tax Levy (1)</u>	<u>Following Levy</u>	<u>Following Levy</u>
2001	2003	13,107,750	12,128,207	92.53
2002	2004	13,488,780	12,454,513	92.33
2003	2005	14,779,319	13,765,550	92.91
2004	2006	15,385,973 (2)	14,610,646	94.96
2005	2007	16,394,823 (2)	Unknown (3)	Unknown

(1) Includes real property taxes.

(2) As adjusted

(3) Settlement not completed as of 6/7/07

Source: County of Iron

**Profile of the Ten Largest Taxpayers**

Reflected below are the County's ten largest property taxpayers, their principal product or service and respective Taxable Value for its fiscal year ended December 31, 2005.

<u>Taxpayer</u>	<u>Principal Product or Service</u>	<u>Taxable Value</u>	<u>Percent of Total (1)</u>
WE Energies	Utility	\$ 28,423,682	8.21%
Great Lakes Gas Transmission	Utility	26,924,619	8.14
Enbridge Energy, LTD	Utility	4,530,518	1.26
Naterra Land	Financial Institution	3,087,300	0.77
Upper Peninsula Power/UPPCO	Utility	2,696,142	0.67
Angeli Management Corp.	Diversified Grocery Store	2,576,581	0.64
Northern Trust/Young Recreational	Financial Institution	2,467,127	0.63
Lake Shore Inc/Oldenberg Group	Diversified Manufacturer	2,129,005	0.46
Krist Oil Co Inc.	Gas Stations	1,732,579	0.43
Aramark Uniform Service Inc	Dry Cleaning Services	1,629,642	0.41
		<u>\$76,097,195</u>	<u>21.62</u>

(1) Based on \$361,636,736 which is the County's Taxable Value for the fiscal year ended December 31, 2005.

Source: County of Iron

**County of Iron**  
**Revenues from the State of Michigan**  
**Fiscal Years Ended December 31, 2000 Through 2004**

	<u>Fiscal Years Ended December 31</u>				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004 (1)</u>
State Sales Tax	\$ 297,113	\$ 262,636	\$ 257,974	\$ 228,198	\$ 77,464

(1) An additional \$141,406 was transferred from the Revenue Sharing Reserve Fund which will be drawn down over the next 9.63 years @ \$223,904 for 2005, \$231,069 for 2006, etc.

Source: Iron County and the Michigan Department of Treasury.

## COUNTY DEBT

### Constitutional Debt Limitations

Article VII, Section 11 of the Michigan Constitution states "No county shall incur any indebtedness which shall increase its total debt beyond 10 percent of its assessed valuation".

### Legal Debt Margin

Pursuant to the statutory and constitutional debt provisions set forth herein, the following table reflects the amount of additional debt the County may legally incur as of December 31, 2005.

Debt Limit (2) .....	\$63,078,605
Debt Outstanding .....	\$19,572,129
Less: No County Credit Pledge Issues .....	<u>0</u>
Legal Debt Margin .....	<u>\$43,506,476</u>

### Debt Statement

The following table reflects a breakdown of the County's direct and underlying debt as of December 31, 2006, Direct debt that is shown as self-supporting is paid from sources other than the County's General Fund.

To the extent necessary, the County may levy taxes on all taxable property within its boundaries without limitation as to rate or amount to pay the principal of and interest due on the bonds that are designated as Unlimited Tax ("UT"). However, the County's ability to levy taxes to pay debt service on the bonds that are designated as Limited Tax ("LT"), is subject to applicable statutory and constitutional limitations.

County Direct Debt	Gross	Self-Supporting	Net
Michigan Transportation Fund Bonds:			
Dated February 12, 2003 .....	\$ 2,100,000	\$ -0-	\$ 2,100,000
Subtotal .....	<u>\$ 2,100,000</u>	<u>\$ -0-</u>	<u>\$ 2,145,000</u>
General Obligation Bonds:			
Dated March 3, 2005 (UT) .....	\$ 2,674,400	\$ -0-	\$ 2,674,400
Dated August 12, 2004 (LT) .....	103,000	-0-	103,000
Dated August 19, 2003 (LT) .....	380,000	-0-	380,000
Dated August 19, 2003 (UT) .....	2,692,230	-0-	2,692,230
Dated November 1, 2002 (UT) .....	8,125,000	-0-	8,125,000
Dated September 1, 2001 (LT) .....	3,497,499	-0-	3,497,499
Subtotal .....	<u>\$ 17,472,129</u>	<u>\$ -0-</u>	<u>\$ 17,472,129</u>
Total .....	<u>\$ 19,572,129</u>	<u>\$ -0-</u>	<u>\$ 19,572,129</u>
Per Capita Net County Direct Debt (1) .....	\$1,489.73		
Percent of Net Direct Debt to Total SEV (2) .....	3.09%		

<u>Underlying Debt of County (3)</u>		<u>Total</u>
Cities .....	\$	325,000
Townships .....		50,000
School Districts .....		9,480,000
Intermediate School District .....		31,689
Library .....		203,125
Total Underlying Debt .....	\$	<u>10,089,814</u>
Per Capita Underlying Debt (1) .....		\$767.99
Percent of Underlying Debt to Total SEV (2) .....		1.71%
Total Direct and Underlying Debt .....	\$	<u>29,661,943</u>
Per Capita Net Direct and Underlying Debt (1) .....		\$2,257.72
Percent of Net Direct and Underlying Debt to Total SEV (2) .....		4.68%

(1) Based on the County's 2000 Census population of 13,138.

(2) Based on \$634,078,605 which is the County's Total SEV for its fiscal year ended December 31, 2007

(3) Underlying Debt is the debt of the municipal entities located in the County.

Source: County of Iron and the Municipal Advisory Council of Michigan.

### Pension Plan

The County participates in a defined benefit plan that covers all full-time employees and limited part-time employees that is administered by the Michigan Municipal Employees Retirement System. The County is required to contribute \$189,036 for the fiscal year beginning January 31, 2007 (2005 Valuation). Effective April 1, 2004, all new hires (with the exception of 9-1-1 Dispatchers) are enrolled in the MERS/ICMA-RC Defined Contribution Plan.

#### County of Iron Employees Retirement System Five-Year History

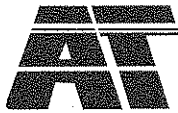
Valuation Date <u>December 31</u>	Actuarial Value of <u>Assets</u>	Accrued Actuarial <u>Liability</u>	Funded <u>Ratio</u>
2001	\$10,116,040	\$12,592,681	88.3
2002	11,569,884	13,573,832	85.2
2003	12,919,386	15,366,394	84.1
2004	14,047,247	16,280,905	86.3
2005	15,180,227	17,654,380	86.0

Source: County of Iron and MERS

**COUNTY OF IRON, MICHIGAN**

**REPORT TO MANAGEMENT**

**Year Ended December 31, 2006**



**ANDERSON, TACKMAN & COMPANY, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

OFFICES IN MICHIGAN AND WISCONSIN

Kristine P. Berhow, CPA, Principal  
Alan M. Stotz, CPA, Principal  
Raymond B. LaMarche, CPA, Principal  
Erkki M. Peippo, CPA, PC, Principal

Kevin C. Pascoe, CPA

## REPORT TO MANAGEMENT

Members of the Board of Commissioners  
County of Iron, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Iron, Michigan for the year ended December 31, 2006, and have issued our reports thereon dated June 22, 2007. Professional standards require that we provide you with the following information relating to the audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated December 19, 2005, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the County of Iron, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County of Iron, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County of Iron, Michigan's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the County of Iron, Michigan's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County of Iron, Michigan's compliance with those requirements.

Members of the Board of Commissioners  
County of Iron, Michigan

### Significant Accounting Policies

Management is responsible for the selection of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of the accounting policies and their application. The significant accounting policies used by the County of Iron, Michigan are described in Note A of the financial statements. No new accounting policies were adopted and application of existing policies was not changed during 2006. We noted no transactions entered into by County of Iron, Michigan during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates(s) affecting the financial statements were:

Management's estimate of the useful lives of property and equipment for the purpose of calculating depreciation is based on reviewing and testing the historical data provided by management and using this data to compute the estimates. We evaluated the key factors and assumptions used to develop the estimates of useful lives in that it is reasonable in relation to the financial statements taken as a whole.

### Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the County of Iron, Michigan's financial reporting process (that is, cause future financial statements to be materially misstated). Our audit adjustments, in our judgment, indicate matters that could have a significant effect on the County of Iron, Michigan's financial reporting process. Our audit adjustments were material and primarily made to properly accrue revenues and expenditures, and have been recorded by the client.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Members of the Board of Commissioners  
County of Iron, Michigan

#### Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Iron County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

In planning and performing our audit of the financial statements of the County of Iron, Michigan, for the year ended December 31, 2006, we considered the County of Iron, Michigan's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated June 22, 2007, on the financial statements of the County of Iron, Michigan.

We have already discussed many of these comments and recommendations with various County personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This information is intended solely for the use of members of the County Board, management of Iron County and federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson, Jackson & Company P.C.*

Certified Public Accountants

June 22, 2007



## IRON COUNTY, MICHIGAN

### COMMENTS AND RECOMMENDATIONS

December 31, 2006

#### COUNTY CASH RECONCILIATION

##### **Comment:**

1. Bank accounts relating to co-mingled cash of the County are not being reconciled with the general ledger on a monthly basis (repeated from previous years).
2. Co-mingled cash accounts of the County do not reconcile with the general ledger, resulting in a variance in the amount of \$13,327.15 (repeat from previous years).

##### **Recommendation:**

We continue to recommend bank accounts be reconciled with the general ledger of the County. This lack of internal controls over the safeguarding of County assets will be reported as a "material weakness". A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a misstatement of the County of Iron's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. It is essential for the County to reconcile all bank accounts to the general ledger to strengthen the internal controls over cash.

##### **Management Response:**

Every month all checking and investment accounts are reconciled with the general ledger, with the exception of the general checking account with commingled funds.

We have now started to receipt all State and Federal revenues that go to our general checking (via ACH/wire transfer), through our receipting program. Therefore, there is a separate receipt for each ACH/wire transfer received.

In addition, we have also discovered a "timing" issue with when receipts are posted from another department, to the general ledger, and the actual deposit date. (Example: Their receipt is dated April 30, 2007, so it posts to the general ledger for the month of April. However, the deposit isn't made until well into May. The revenue does not appear on the April bank statement, but it does appear in the general ledger for April). After becoming aware of this, we have taken steps to help rectify the problem.

In summary, the process of reconciling the general checking account to the commingled funds is now in process.

## IRON COUNTY, MICHIGAN

### **COMMENTS AND RECOMMENDATIONS**

December 31, 2006

#### **FLEXIBLE SPENDING TRUST**

##### **Comment:**

The activity for medical reimbursement and HRA's are not being reconciled. We also noted that the total amount of HRA's was not deposited with the third-party administrator as required by the County.

##### **Recommendation:**

We recommend the medical reimbursement and HRA accounts be reconciled on a monthly basis in order to strengthen the internal controls over these funds of the County.

##### **Management Responses:**

We are now able to receive a report from our Medical Reimbursement and HRA company. This will enable us to reconcile the bank account on a monthly basis.

Please be aware that we do not write the checks from the Flexible Spending Fund. Therefore, it has been difficult for us to track the checks written from that bank account. However, we are now depositing the funds that are deducted each payroll from the employees to the Flexible Spending checking account.

In regards to the HRA funds, the amount that is determined by administration will be transferred on a monthly basis.

#### **STATE EDUCATION TAX DISTRIBUTION**

##### **Comment:**

State Education Tax is not being distributed on a timely basis as required by MCL 211.43 (10), which states "that the county treasurer account for and deliver to the State, by the fifteenth day of each month, the State Education Tax on hand the last day of the preceding month. By the first day of each month, the county treasurer must remit the collections on hand on or before the fifteenth day of the immediately preceding month."

##### **Recommendation:**

We recommend tax distributions be performed as required by the State.

## IRON COUNTY, MICHIGAN

### COMMENTS AND RECOMMENDATIONS

December 31, 2006

#### **Management Response:**

As of June 4, 2007, all State Education Tax funds collected by the local units of government have been distributed to the State of Michigan.

We will continue to send reports on the first and fifteenth of each month, regardless if there is no revenue to distribute.

#### **DEFICIT FUND BALANCE**

##### **Comment:**

As of December 31, 2006, the Veterans Program Fund had a deficit fund balance in the amount of \$11. A deficit fund balance is a violation of Public Act 275.

##### **Recommendation:**

We recommend the County submit a Deficit Reduction Plan to the State of Michigan as required by Public Act 275.

##### **Management Response:**

In the last two years, the Committee of Veterans' Affairs has overspent its budget, failed to prudently modify its operations to remain within its budget and thereby allowed its ongoing operations to violate the Michigan Uniform Budgeting and Accounting Act.

The County of Iron has on numerous occasions in the last several years, counseled the Committee of Veterans' Affairs to conduct its operations in accordance with law without material results.

On June 12, 2007, the County Board of Commissioners adopted a resolution to cease to operate a County Department of Veterans' Affairs under Public Act 192 of 1953, effective July 1, 2007.

On June 14, 2007, the Iron County Finance Committee amended the Veterans Program Fund Budget to authorize the payment of funds required to close the Department's operations and insuring sufficient funds are appropriated for that closure.

The certified minutes of these meetings, the certified adopted resolution and the budget amendment have been submitted to the State of Michigan as the County's Deficit Reduction Plan, as required by Public Act 275.